

ER-5-1495

JAN 28 1954

MEMORANDUM FOR: Acting Deputy Director (Administration)


SUBJECT: Proposed Merger of Physical Security  
Equipment Agency, Department of Defense,  
with the Central Intelligence Agency

1. The attached papers on the above subject are returned in accordance with our discussion.

2. It just appears to me that if the Agency is seriously considering the transfer of this function from the Department of Defense, we need much more information than is contained in the attached documents, e.g. no mention is made of the size of the activity, the number of personnel involved, workload, or the total cost of operation on an annual or other basis. As far as the workload is concerned, cognizance should be taken of the fact that generally the workload increases if somebody else is paying the bill unless the work is accomplished on a reimbursable basis.

3. My experience on transfers of this kind has convinced me that they should not be attempted without a full and complete detailed study. I do not see how an intelligent decision can be made without the benefit of a thorough survey.

4. As you know, all transfers of functions and/or activities from one government agency to another have to be approved by the Bureau of the Budget and such approval is not given unless all the facts are presented showing that operational benefits and/or economies will be effected.

  
E. R. SAUNDERS  
Comptroller

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Attachment

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